

Message Text

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DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

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FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 1089

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

USLO PEKING

AMEMBASSY SAIGON

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC HONOLULU HI

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CINCPAC FOR POLAD

E.O. 11652: XGDS-2

TAGS: PFOR, CH, XC

SUBJECT: CHINA AND SOUTHEAST ASIA: DIE BELBE GEFAHR?

REF: MANILA 6127

1. ALTHOUGH AS CHINA WATCHERS WE HAVE A RECOGNIZED WEAKNESS
FOR MINUTIAE, WE GLADLY JOIN IN THE COLLOQUY SUGGESTED BY
AMBASSADOR SULLIVAN. PART OF OUR ENTHUSIASM STEMS FROM OUR
DISAGREEMENT WITH SEVERAL MAIN POINTS MADE IN REFTEL. THEREFORE WE

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SAY ABRUPTLY AT THE OUTSET THAT A) PRC/GOM RECOGNITION TREATY IS

NOT REALLY A NEW PHASE OF CHINESE DIPLOMACY BUT PART OF LONGER PROCESS BEGUN SOME TIME AGO; B) ALTHOUGH DISPLACEMENT OF THE OTHER POWERS FROM SEA COULD BE A GOAL OF PRC POLICY MAKERS, PRACTICALITY MAKES THIS UNREALISTIC; C) WE DOUBT THAT THE OVERSEAS CHINESE REPRESENT AS STRONG A POTENTIAL FORCE FOR SUBVERSION AND CONTROL AS REFTTEL SUGGESTS; AND D) CHINA IS IN NO POSITION TO DOMINATE SOUTHEAST ASIA ECONOMICALLY.

2. WE DO NOT DEAL DIRECTLY WITH U.S. POLICY SINCE AMBASSADOR SULLIVAN RIGHTLY SUGGESTS THAT BE A SECOND STEP IN OUR DISCUSSION. BUT THE IMPLICATION OF OUR ASSESSMENT IS THAT THE USG IS CORRECT IN ITS APPARENT ASSUMPTION THAT SOUTHEAST ASIA'S DIPLOMATIC ACCOMMODATION WITH THE PRC IS NOT DETRIMENTAL TO OUR BASIC INTERESTS. WE SHOULD BE CONFIDENT THAT THE GOVERNMENTS CONCERNED WILL WORK OUT THEIR OWN RELATIONSHIPS WITH CHINA IN A MANNER WHICH WILL MAINTAIN A REASONABLE BALANCE AND MAXIMIZE THEIR FREEDOM OF ACTION. FOR THE INDEFINITE FUTURE CHINA IS LIKELY TO EMPLOY PRIMARILY POLITICAL, CONVENTIONAL AND NON-PROVOCATIVE MEANS TO EXPAND ITS INFLUENCE IN THE AREA. THUS WHILE NOT FORGETTING THE UNPREDICTABILITY PRINCIPLE, IT SEEMS UNLIKELY THAT THE PRC WILL INITIATE ACTION WHICH WOULD THREATEN STABILITY OR THE GEOPOLITICAL STATUS QUO IN SOUTHEAST ASIA. THE PROBLEM THE CHINESE ARE LIKELY TO POSE IS NOT ONE OF HIGHHANDEDNESS OR HEGEMONY-SEEKING BUT THE REVERSE--AN APPEARANCE OF REASONABLENESS THAT WILL ENCOURAGE SEA SENTIMENT FOR NEUTRALIZATION AND THE WITHDRAWAL OF U.S. MILITARY BASES.

3. CHINA'S BASIC CONCERN IN REGARD TO SOUTHEAST ASIA IS RELATED TO PRC SECURITY: TO PREVENT ANY COUNTRY IN THE AREA FROM FALLING UNDER HOSTILE INFLUENCE AND IN PARTICULAR TO PRECLUDE ANY ONE POWER FROM ESTABLISHING HEGEMONY IN THE REGION (1973 HONG KONG 10771). THUS, AS ELSEWHERE IN THE ASIAN ARENA, CHINA'S POLICIES TOWARD SOUTHEAST ASIA AT THIS STAGE ARE FUNDAMENTALLY DEFENSIVE AND REACTIVE. SOUTHEAST ASIA, HOWEVER, IS AN AREA OF NATURAL INFLUENCE FOR CHINA. LIKE SOME OTHER POWERS, PEKING WOULD PROBABLY LIKE TO HOLD SWAY OVER THE REGION, ALTHOUGH IT WOULD ALSO GIVE THE ACT A MORE BENEVOLENT NAME. HOWEVER, IT IS NOT VERY USEFUL TO ANALYZE INTENTIONS IN TERMS OF ABSTRACT MAXIMUM IDEALS. GIVEN OBJECTIVE CIRCUMSTANCES INCLUDING THE RANGE OF EXTERNAL PRESENCE AND INTEREST IN THE REGION, HEGEMONY IS
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NOT CURRENTLY AN OPERATIVE CHINESE GOAL IN SOUTHEAST ASIA AND, FOR THE FORESEEABLE FUTURE, IT DOES NOT SEEM LIKELY THAT PEKING'S

ACTUAL BEHAVIOR IN THE AREA WILL BE GUIDED BY SUCH GRANDIOSE AMBITIONS. REALISTICALLY, CHINA'S OPERATIVE GOAL FOR SOMETIME TO COME WILL BE TO ACHIEVE PARITY OF INFLUENCE RATHER THAN PRE-EMINENCE IN THE REGION. ALTHOUGH CHINA'S GROWING POWER IS CERTAINLY A CALCULATION IN THE POLICIES OF THE ASEAN STATES, THE PRC

WILL PRIMARILY HAVE TO RELY ON POSITIVE AND CONVENTIAONAL MEANS TO IMPROVE ITS POSITION WITH THEM. CERTAINLY THE COUNTRIES OF THE AREA WILL PLAY UPON THE COMPETING INTERESTS OF THE OTHER POWERS TO MAXIMIZE THEIR FREEDOM OF ACTION AND CONSTRAIN PEKING'S BEHAVIOR. SIGNS OF HEGEMONY SEEKING BY THE PRC WILL CONSTRICT ITS POSSIBILITIES IN STATE-TO STATE RELATIONS AND PROVIDE OPPORTUNITIES TO ITS RIVALS.

4. MOREOVER, CHINA'S POLICIES IN THIS AREA ARE SHAPED IN THE BROADER CONTEXT OF THE PRC'S GLOBAL STRATEGY. CHINA IS CURRENTLY ATTEMPTING TO DEFINE AN INDEPENDENT AND DYNAMIC WORLD ROLE FOR ITSELF ON THE BASIS OF ITS DISTINCTIVENESS FROM THE SUPERPOWERS AND ITS IDENTIFICATION WITH THE CAUSES OF NATIONALISM-- PARTICULARLY THAT OF THE THIRD WORLD. BEYOND CONCENTRATING ON BUILDING ITS OWN ECONOMIC AND STRATEGIC STRENGTH, THE PRINCIPAL CONCERN IN CHINA'S STRATEGY IS THE PERCEIVED SOVIET DRIVE TO DOMINATE EURASIA AND TO ENCIRCLE AND ISOLATE THE PRC BY PLAYING UPON HISTORIC FEARS OF CHINA (AND OVERSEAS CHINESE) AND ENGAGING IN POWER PLAYS ALONG CHINA'S BORDERS SUCH AS AT THE TIME OF THE INDO- PAK WAR OF 1971. IN ADDITION, PEKING IS CONCERNED WITH THE POTENTIAL FOR A RESURGENCE OF A JAPANESE POLITICAL-SECURITY ROLE IN ASIA. WHILE THE PRC PROBABLY HOPES THAT SOUTHEAST ASIA WILL EVENTUALLY MOVE TO A POLICY OF NEUTRALITY SIMILAR TO THAT FOLLOWED BY BURMA, NEPAL AND SRI LANKA, IT IS WORRIED ABOUT THE PSYCHOLOGICAL AND POLITICAL CONSEQUENCES OF A TOO HASTY OR CHAOTIC U.S. WITHDRAWAL. CONSEQUENTLY, THE PRC SEEKS A PERIOD OF GENERAL STABILITY THROUGHOUT ALL OF ASIA, INCLUDING SOUTHEAST ASIA. THIS CONDITION, PEKING BELIEVES, WILL REDUCE SECURITY THREATS TO CHINA, MINIMIZE OPPORTUNITIES FOR THE USSR, CONSTRAIN JAPANESE POLITICAL INVOLVEMENT, PROVIDE A FAVORABLE CLIMATE FOR TRADE, AND EVENTUALLY PAVE THE WAY FOR NEUTRALIZATION.

5. EVEN IN THE CONTEXT OF NEUGRALIZATION WE DO NOT BELIEVE THE
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CHINESE SEE "IMMUNIZATION" AGAINST SOVIET INFLUENCE OR "EXTRUSION" OF U.S. AND JAPANESE ROLES AS REALIZABLE GOALS. PEKING MAY HOPE FOR A GENERAL SHIFT OF SOUTHEAST ASIA IN ITS DIRECTION BUT WE, AND PROBABLY THE CHINESE THEMSELVES, ARE MORE IMPRESSED WITH PEKING'S LIABILITIES RATHER THAN ITS ASSETS IN THIS COMPETITION.

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6. CHINA, WE BELIEVE, VIEWS THE OVERSEAS CHINESE COMMUNITIES AS ADVANTAGEOUS ECONOMICALLY BUT POLITICALLY AS MORE A LIABILITY THAN AN ASSET (E.G. 1972 HONG KONG A-121 AND 1973 HONG KONG 11347). THE OVERSEAS CHINESE MAY BE USEFUL AS TOOLS FOR INTELLIGENCE AND CHANNELS OF POLITICAL INFLUENCE, BUT TO EXPLOIT THE COMMUNITIES AS A WHOLE FOR MAJOR POLITICAL IMPACT, THE PRC MUST BE WILLING TO EXCITE CHINESE CHAUVINISM AND BE PREPARED EFFECTIVELY TO PROTECT THE COMMUNITIES FROM THE CONSEQUENCES. IT IS NEITHER WILLING NOR ABLE TO DO THIS. WHEN SPORADICALLY IN THE PAST IT ADOPTED AN OVER-WEENING LINE, THE CONSEQUENCES WERE SECRET

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DAMAGING TO PEKING'S FOREIGN RELATIONS AS WELL AS TO THE POSITION OF THE OVERSEAS CHINESE COMMUNITY CONCERNED. THUS, WE EXPECT THAT PEKING WILL DO AS IT SAYS, THAT IT WILL NOT BECOME INVOLVED

IN THE PAROCHIAL CONCERNS OF THE OVERSEAS CHINESE AND WILL MAKE A MAJOR ISSUE--AND THEN VERBALLY--ONLY IN THE CASE OF CIVIL VIOLENCE AGAINST CHINESE NATIONALS.

7. THE ESTABLISHMENT OF RELATIONS BETWEEN PEKING AND KUALA LUMPUR AND THE PRC'S FORMAL DISAVOWAL OF ANY TIE OR OBLIGATION TO ETHNIC-CHINESE WHO BECOME MALAYSIAN CITIZENS COULD ACTUALLY SERVE TO DAMPEN THE FIRES OF "CHINESE CHAUVINISM" IN MALAYSIA RATHER THAN STIR THEM UP. APPARENTLY TUN RAZAK HAS THAT EXPECTATION. THIS IS CERTAINLY NOT GOING TO SOLVE MALAYSIA'S COMMUNAL PROBLEM SINCE CHINESE CHAUVINISM IS MANIFESTED IN MALAYSIA AS A STRUGGLE BY THE ETHNIC CHINESE TO MAINTAIN IDENTITY AND STRENGTHEN THEIR ALREADY SUBSTANTIAL POLITICAL AND ECONOMIC POSITIONS. HOWEVER, OPPONENTS OF MALAYSIAN GOVERNMENT MEASURES WHICH AS IMPLEMENTED DISCRIMINATE AGAINST ETHNIC CHINESE AND PROVIDE SPECIAL PRIVILEGES FOR THE MALAYS CAN NO LONGER AUTOMATICALLY ASSUME THAT THE MOTHERLAND IS SUPPORTING THEM EITHER MORALLY OR POLITICALLY. MOREOVER WE CAN EXPCET THE PRC FOR SOME TIME TO BE PARTICULARLY CAUTIOUS IN HOW IT INTERACTS WITH THE MALAYSIAN CHINESE. BECAUSE MALAYSIA IS THE FIRST ASEAN COUNTRY WITH WHICH THE PRC HAS ESTABLISHED FULL DIPLOMATIC RELATIONS AND HAS THE LARGEST CHINESE MINORITY OF ANY SOUTHEAST ASIAN COUNTRY IT WILL BE REGARDED AS A TEST CASE.

8. THE TRAUMA OF CHINA'S CULTURAL REVOLUTION, ITS IMPACT UPON RETURNED OVERSEAS CHINESE AND THEIR RELATIIVES AND THE SUBSEQUENT EXODUS OF OVERSEAS CHINESE WHO FOUND LIFE IN CHINA TOO DIFFICULT TO ENDURE CERTAINLY DID NOT ENHANCE PEKING'S IMAGE AND APPEAL AMONG OVERSEAS CHINESE COMMUNITIES. LIKEWISE THE PRC HAS LOST MUCH OF ITS EMPATHY FOR THE BOURGEOISE, COMMERCIALY- ORIENTED OVERSEAS CHINESE. IN CONTRAST TO THE 1950'S WHEN THERE WAS A SUBSTANTIAL FLOW INTO THE PRC OF OVERSEAS CHINESE SEEKING EDUCATION AND RACIAL AND CULTURAL IDENTIFICATION, THE 1970'S HAS SEEN A CLEAR OUTFLOW FROM CHINA OF OVERSEAS CHINESE INTO HONG KONG WHERE THEY ARE STRANDED (1973 HONG KONG 11148).

9. MOREOVER, EXCEPT POSSIBLY IN SINGAPORE, THE CHAUVINIST IMPULSE CANNOT BE RECONCILED WITH CHINA'S IDEOLOGICAL COMMITMENT;
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AND THIS COMMITMENT AT LEAST ON THE CONSCIOUS LEVEL IS CLEARLY OVERRIDING. THIS BRINGS US TO THE QUESTION OF CHINA'S RELATIONS WITH THE INSURGENT MAOIST PARTIES OF SOUTHEAST ASIA. WE ARE IN THE PROCESS OF WRITING A LARGER ASSESSMENT OF THIS QUESTION, BUT FOR PRESENT PURPOSES, IT SHOULD BE NOTED THAT THE MAOIST INSURGENTS IN SOUTHEAST ASIA, WITH THE POSSIBLE EXCEPTION OF THE BCP FORCES IN BURMA'S NORTHEAST, DO NOT DEPEND UPON CHINA TO MAINTAIN THEIR MOMENTUM. THEY ARE ESSENTIALLY INDIGENOUS MOVEMENTS AND THEIR OWN INTERNAL STRATEGIES ARE NOT THE PRODUCT OF CHINA'S DICTATE. CHINA, OF COURSE, HAS POLITICAL AS WELL AS IDEOLOGICAL COMMITMENTS

TO THESE PARTIES. THE MAOIST GROUPS ARE ASSETS FOR THE FUTURE AND TOGETHER WITH ALBANIA THEY REPRESENT THE MOST IMPORTANT SUPPORTERS OF CHINA'S LINE IN THE INTERNATIONAL COMMUNIST MOVEMENT. LIKE OTHER GOVERNMENTS, THE PRC'S RELATIONS WITH SYMPATHETIC SUBVERSIVE GROUPS IN FOREIGN COUNTRIES ARE ALSO AFFECTED BY THE MOMENTUM OF COMMITMENTS, THE INERTIA OF BUREAUCRACY, AND THE COMPLICATIONS OF DOMESTIC POLITICS. (THE LAST CONSIDERATION, WE BELIEVE, ACCOUNTS IN LARGE PART FOR THE ANOMALY OF CHINA'S SUBSTANTIAL DIRECT ASSISTANCE TO THE BCP FORCES.)

10. THE PRC EXPECTS ULTIMATELY TO SEE A SOCIALIST SOUTHEAST ASIA WHICH BY DEFINITION WOULD ADOPT POLICIES CONSONANT WITH THOSE OF CHINA. BUT THE CHINESE DO NOT SEEM TO BELIEVE THAT ANY MAOIST GROUP IN SOUTHEAST ASIA IS LIKELY TO COME TO NATIONAL POWER IN THE FORESEEABLE FUTURE. CHINA WILL FACE A DILEMMA IF IN FACT A MAOIST PARTY GAINS MOMENTUM AND THE POSSIBILITY OF SEIZING POWER INCREASES. IF THIS SHOULD HAPPEN, HOWEVER, IT WOULD BE PRIMARILY THE PRODUCT OF THE INTERNAL DYNAMICS OF THE COUNTRIES CONCERNED AND NOT OF PEKING'S INTERVENTION OR OF ITS DIPLOMATIC SUCCESSES IN SOUTHEAST ASIA.

11. THE PRC'S CURRENT POLICY IS TO RETAIN TIES TO ITS ARDENT FOLLOWERS ABROAD BUT TO TRY TO LIMIT THE DIPLOMATIC DAMAGE THIS INVOLVES BY PLACING ITS SUPPORT FOR THEM ON A CLANDESTINE AND LOW LEVEL WHILE HIGHLIGHTING ITS "CORRECT" POLITICAL AND ECONOMIC RELATIONS WITH THE ESTABLISHED GOVERNMENTS. THEREFORE WE DOUBT THAT THE ESTABLISHMENT OF DIPLOMATIC TIES WILL PROVIDE SIGNIFICANT NEW CHANNELS OF CHINESE ASSISTANCE TO THE REBELS IN SOUTHEAST ASIA--THERE SEEMS TO BE NO SHORTAGE OF SUCH CHANNELS ALREADY. ON THE CONTRARY, DIPLOMATIC RELATIONS SHOULD PROVIDE SOME LIMITED LEVERAGE TO THE SOUTHEAST ASIAN GOVERNMENT ON PEKING'S RELATIONS
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WITH THESE ORGANIZATION.

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12. CHINA ALSO IS IN NO POSITION ECONOMICALLY TO DOMINATE SOUTH-EAST ASIA. IN FACT SOUTHEAST ASIAN COUNTRIES ARE MORE IMPORTANT TO CHINA AS TRADING PARTNERS THAN THE PRC IS TO THEM. LAST YEAR ABOUT EIGHT PERCENT OF CHINA'S TRADE WAS WITH THESE COUNTRIES, WHEREAS CHINA ACCOUNTED FOR TWO PERCENT OF THE REGION'S TOTAL TRADE IN 1972. CHINA DKHES NOT HAVE THE INDUSTRIAL BASE TO FLOOD THE REGION WITH MANUFACTURED PRODUCTS OR TO ABSORB THE BULK OF ITS RAW MATERIALS. DOMESTIC NEEDS WILL LIMIT PRC SALES OF RICE, ITS MAJOR EXPORT TO THE AREA. CHINA OF COURSE WILL NOT PROVIDE A MARKET FOR THE OIL PRODUCING COUNTRIES, AND ITS OWN COMMITMENTS TO JAPAN WILL LIMIT PRC PETROLEUM SALES TO THE
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OIL IMPORTING COUNTRIES. PEKING'S AID PROGRAM IS CURRENTLY LIMITED TO BURMA AND EVEN IF EXTENDED TO OTHER COUNTRIES, COULD HARLY COMPETE WITH OUTFLOWS FROM JAPAN AND THE UNITED STATES.

13. PAKING RECOGNIZES THAT JAPAN'S ECONOMIC INTERESTS IN SOUTHEAST ASIA ARE VULNERABLE TO POLITICAL AND PROPAGANDA ATTACK. HOWEVER, THE PRC'S CURRENT POLICY TOWARD JAPAN IS TO CONSTRUCT A COOPERATIVE RELATIONSHIP AND CONSTRAIN JAPAN'S ROLE IN ASIA TO THE ECONOMIC PLANE. TO THIS END THE

PRC SEEMS TO REALIZE THAT IT MUST AVOID MAJOR SUSTAINED EFFORTS TO UNDERMINE JAPAN'S ECONOMIC STAKE IN ASIA.

14. WE DO NOT KNOW OF ANYTHING THE PRC IS CURRENTLY DOING TO DIVIDE THE COUNTRIES OF SOUTHEAST ASIA OR TO OPPOSE MOVES TOWARD COMMON ECONOMIC, POLITICAL OR SECURITY POLICIES. CHINA HAS DISPLAYED AN ATTITUDE OF BENIGN NEGLECT TOWARD ASEAN; IT HAS AVOIDED CRITICISM OF THE FIVE POWER DEFENSE PACT; AND IT HAS NOT APPLIED PRESSURE FOR THE REMOVAL OF U.S. BASES. SINCE NORMALIZATION WITH TOKYO, PEKING HAS ALSO REFRAINED FROM ATTACKS ON JAPAN'S ECONOMIC ROLE IN THE AREA, AND FOR SEVERAL YEARS HAS AVOIDED TAKING ANY POSITION ON REGIONAL DISPUTES (FOR EXAMPLE, IT HAS SAID NOTHING ON CURRENT PHILIPPINE-MALAYSIAN PROBLEMS, PERENNIAL SINGAPORE-MALAYSIAN DIFFICULTIES, OR THE VARIOUS THAI-BURMESE DISPUTES). FINALLY, THE PRC HAS NOT FANNED CHINESE CHAUVINISM (ON THE CONTRARY, IT HAS PUBLICLY URGED INTEGRATION AND HAS PLAYED DOWN ANTI-CHINESE OUTBREAKS SUCH AS THOSE IN INDONESIA LAST YEAR).

15. A MORE RADICAL GROUP WITH DIFFERENT PERSPECTIVES COULD OF COURSE COME TO POWER IN PEKING AND ADOPT A LESS CONVENTIONAL STRATEGY IN THE WORLD AND A POLICY IN SOUTHEAST ASIA AIMED AT ESTABLISHING CHINESE PREEMINENCE IN SHORT ORDER. HOWEVER, NEITHER WE NOR THE COUNTRIES OF THE AREA WILL BE ANY WORSE OFF FOR THEIR GOVERNMENTS HAVING TRIED THE PATH OF ACCOMMODATION WITH CHINA. A NEW SUKARNO COULD ARISE IN INDONESIA OR ELSEWHERE AND PROVOKE A POLARIZATION OF THE REGION. EVENTS AGAIN MIGHT TEMPT CHINA TO OPT FOR A COURSE PROMISING GREATER RETURNS. IF SO, THE BASIC
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DEVELOPMENTS WILL PROBABLY HAVE SPRUNG FROM POLITICAL AND SOCIAL DYNAMICS WITHIN SOUTHEAST ASIA ITSELF AND WE, LIKE PEKING, WILL HAVE TO MEET SUCH CONTINGENCIES AS THEY ARISE.

16. THE TWISTS OF HISTORY ARE UNPREDICTABLE. BUT FOR THE FORSEEABLE FUTURE WE EXPECT THE PRC TO FOLLOW A CAUTIOUS POLICY IN SOUTHEAST ASIA WITH RELATIVELY MODES GOALS, FOCUSING ON STATE-TO-STATE AND PEOPLE-TO-PEOPLE RELATIONS. DURING THIS TIME, THE USE OF PROVOCATIVE MEASURES TO GAIN INFLUENCE WILL PROBABLY BE COUNTERPRODUCTIVE. CURRENT U.S. POLICY APPEARS TO RECOGNIZE THAT THE ACCOMMODATION OF CHINA AND THE PRO-WESTERN GOVERNMENTS OF SOUTHEAST ASIA IS AN IMPORTANT PREREQUISITE FOR STABILITY. CERTAINLY THE TREND ALSO MEANS A GAIN IN INFLUENCE FOR THE PRC. BUT THE POLICY OF TRYING TO DENY PEKING A ROLE IN THE REGION ENTAILS A CONFRONTATION WHICH NEITHER WE NOR THE COUNTRIES CONCERNED ARE PREPARED TO PAY THE PRICE OF MAINTAINING.

IN ANY EVENT, IT IS QUESTIONABLE WHEHTER CHINESE INFLUENCE
REPRESENTS THE ONLY OR EVEN THE MAIN PERIL. DIE GELBE GEFAHR
WAS ORIGINALLY COINED BY KAISER WILHELM II REFERRING NOT
TO THE CHINESE BUT THE JAPANESE.
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